
**Consolidated Financial Results
for the First Quarter ended June 30, 2017**

August 3, 2017

 **Hitachi Capital Corporation**

Contents

- 1. Summary of Consolidated Financial Results
for the First Quarter of FY2017**
- 2. Summary of Performance by Business**
- 3. Consolidated Financial Forecast for Fiscal 2017**

1-1. Summary of Business Performance for FY2016

(Millions of yen)

	FY2016/1Q Results	FY2017/1Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	563,364	577,244	102%	▲7,669	104%
Revenues	89,285	98,311	110%	▲1,771	112%
Cost of sales	57,876	65,846	114%	▲1,085	116%
Gross profit	31,408	32,465	103%	▲686	106%
Selling, general and administrative expenses	20,654	21,084	102%	▲349	104%
Profit before tax	11,222	11,801	105%	▲336	108%
Net income attributable to owners of the parent	7,347	8,154	111%	▲269	115%
Operating assets	2,829,683	3,009,256	106%	90,981	103%
ROE	8.9%	9.2%	+0.3%	—	
ROA	1.6%	1.6%	+0.0%	—	
OHR	60.6%	60.3%	▲0.3%	—	
Yearly average currency exchange rate	Yen / £	155yen	142yen	▲13yen	Exchange sensitivity (*1) : Approx. 110 million yen
	Yen / US \$	108yen	111yen	+3yen	Exchange sensitivity (*1) : Approx. 40 million yen

The impact on Profit before tax in case JPY vs £/\$ changed 1 yen (FY2017 forecast)

Breakdown of Cost of Sales/SG&A

■ Breakdown of cost of sales

(Millions of yen)

	FY2016/1Q Results	FY2017/1Q Results	Y on Y Change
Cost of sales	57,876	65,846	114%
(of which, cost of capital)	6,603	6,972	106%

■ Breakdown of SG&A

(Millions of yen)

	FY2016/1Q Results	FY2017/1Q Results	Y on Y Change
Selling, general and administrative expenses	20,654	21,084	102%
(of which, personnel costs)	11,605	11,664	101%
(of which, business management expenses, etc.)	7,424	7,902	106%
(of which, bad debt-related expenses)	1,625	1,518	93%

2-1. Summary of Japan Business/Global Business

(Millions of yen)

		FY2016/1Q Results	FY2017/1Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	Japan Business	245,054	229,861	94%	—	—
	Global Business	318,309	347,382	109%	▲7,669	112%
Gross profit	Japan Business	15,153	15,892	105%	—	—
	Global Business	16,167	16,333	101%	▲686	105%
Profit before tax	Japan Business	5,884	6,589	112%	—	—
	Global Business	6,739	6,984	104%	▲336	109%
Operating assets	Japan Business	1,623,855	1,578,962	97%	—	—
	Global Business	1,205,828	1,430,294	119%	90,981	111%
ROA	Japan Business	1.4%	1.6%	+0.2%	—	—
	Global Business	2.2%	2.0%	▲0.2%	—	—
ROA (Local currency basis)	Global Business	2.1%	2.0%	▲0.1%	—	—

*Adjustments (company-wide expense) are not allocated to gross profit and profit before tax of Japan Business and Global Business.

2-2. Breakdown of Japan Business

(Millions of yen)

	Volume of business			Operating assets		
	FY2016/1Q Results	FY2017/1Q Results	Y on Y Change	FY2016/1Q Results	FY2017/1Q Results	Y on Y Change
Total of Japan Business	245,054	229,861	94%	1,623,855	1,578,962	97%
Account Solution	205,867	192,308	93%	1,096,844	1,109,370	101%
(of which, excluding factoring)	164,261	171,598	104%	960,274	1,057,851	110%
Vendor Solution	36,916	35,532	96%	321,491	314,201	98%
Total of reportable segments	242,784	227,840	94%	1,418,336	1,423,571	100%
(of which, excluding factoring)	201,178	207,130	103%	1,281,766	1,372,052	107%
Other	2,637	2,728	103%	205,519	155,390	76%
	Gross profit			Profit before tax		
	FY2016/1Q Results	FY2017/1Q Results	Y on Y Change	FY2016/1Q Results	FY2017/1Q Results	Y on Y Change
Total of Japan Business	15,153	15,892	105%	5,884	6,589	112%
Account Solution	9,773	10,639	109%	4,886	5,590	114%
(of which, excluding factoring)	9,642	10,608	110%	4,825	5,589	116%
Vendor Solution	3,057	2,982	98%	687	807	117%
Total of reportable segments	12,831	13,621	106%	5,573	6,398	115%
(of which, excluding factoring)	12,700	13,590	107%	5,513	6,397	116%
Other	2,322	2,271	98%	310	191	62%

*Adjustments (company-wide expense) are not allocated to total of Japan Business.

2-3. Breakdown of Global Business(1): Europe, The Americas

■ Europe (UK, Poland, the Netherlands)

(Millions of yen)

	FY2016/1Q Results	FY2017/1Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	122,542	133,599	109%	▲12,196	119%
Gross profit	9,392	9,020	96%	▲808	105%
Profit before tax	4,129	4,062	98%	▲372	107%
Operating assets	543,561	645,602	119%	32,190	113%
ROA (Local currency basis)	2.8%	2.6%	▲0.1%	—	—

■ The Americas (US, Canada)

(Millions of yen)

	FY2016/1Q Results	FY2017/1Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	123,865	136,922	111%	3,635	108%
Gross profit	2,728	3,501	128%	93	125%
Profit before tax	622	930	149%	24	145%
Operating assets	273,447	336,608	123%	27,319	113%
ROA (Local currency basis)	1.0%	1.2%	+0.2%	—	—

2-3. Breakdown of Global Business(2): China, ASEAN

■ China (Hong Kong, Mainland China)

(Millions of yen)

	FY2016/1Q Results	FY2017/1Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	45,757	54,480	119%	450	118%
Gross profit	2,747	2,418	88%	8	88%
Profit before tax	1,844	1,774	96%	8	96%
Operating assets	278,751	321,362	115%	23,039	107%
ROA (Local currency basis)	2.5%	2.2%	▲0.3%	—	—

■ ASEAN (Singapore, Thailand, Malaysia, Indonesia)

(Millions of yen)

	FY2016/1Q Results	FY2017/1Q Results	Y on Y Change	Foreign exchange effects	Y on Y (excluding foreign exchange effects)
Volume of business	26,144	22,379	86%	440	84%
Gross profit	1,299	1,393	107%	20	106%
Profit before tax	142	216	152%	2	151%
Operating assets	110,067	126,720	115%	8,431	107%
ROA (Local currency basis)	0.5%	0.7%	+0.2%	—	—

3-1. Consolidated Financial Forecast for FY2017

(Millions of yen)

	FY2016 Results	FY2017 Forecasts	Y on Y Change	
Volume of business	2,334,252	2,273,000	97%	
Revenues	370,860	398,900	108%	
Cost of sales	245,100	267,000	109%	
(of which, cost of capital)	25,982	30,500	117%	
Gross profit	125,759	131,900	105%	
Selling, general and administrative expenses	81,902	89,200	109%	
Profit before tax	46,033	41,500	90%	
Net income attributable to owners of the parent	32,926	29,400	89%	
Dividend per share (yen)	86.00	86.00	—	
Payout ratio	30.5%	34.2%	+3.7%	
ROE	9.6%	8.3%	▲1.3%	
ROA	1.5%	1.4%	▲0.2%	
OHR	60.7%	62.5%	+1.9%	
Yearly average currency exchange rate	Yen / £	141 yen	140 yen	▲1 yen
	Yen / US \$	108 yen	110 yen	+2 yen

HITACHI
Inspire the Next

HITACHI
Inspire the Next

<http://www.hitachi-capital.co.jp/>

Note:

This document contains forward - looking statements with respect to future results, performance and achievements that are subject to risk and uncertainties and reflect management's views and assumptions formed using information available at the time. Accordingly, forecasts may differ from actual results due to a variety of factors.

Appendix

Quarterly Credit Trends by Region

	Credit loss ratio					Credit loss(Millions of yen)				
	Annually Accumulated				1Q Accumulated	Annually Accumulated				1Q Accumulated
	FY2013 Results	FY2014 Results	FY2015 Results	FY2016 Results	FY2017/1Q Results	FY2013 Results	FY2014 Results	FY2015 Results	FY2016 Results	FY2017/1Q Results
Total	0.12%	0.12%	0.16%	0.15%	0.19%	3,638	3,949	5,327	5,103	1,400
Japan	0.06%	0.05%	0.06%	0.04%	0.07%	1,349	954	1,125	823	268
Europe	0.16%	0.15%	0.28%	0.26%	0.24%	818	956	1,797	1,613	389
The Americas	0.24%	0.16%	0.30%	0.41%	0.66%	213	297	739	1,357	556
Asia	0.41%	0.40%	0.36%	0.27%	0.16%	1,256	1,741	1,667	1,309	186

- **Japan:**Credit loss ratio maintained the good level.
- **Europe:**Even after Brexit was decided, credit loss ratio maintained the good level without major impact on the business
- **The Americas:**Credit loss increased due to the countermeasures for the slump in the heavy-duty truck market by the decline of resource prices.
- **Asia:**Credit loss ratio was improved due to strengthening the credit/collection and changing of business portfolio.